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LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)

ISSUE OF U.S.\$400,000,000 4.60% GUARANTEED NOTES DUE 2022

The Company and the Issuer have, on 6 September 2017, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes.

The Notes will be denominated in U.S. dollars, will have a maturity of five years due in 2022 and will bear a fixed interest rate of 4.60% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 100% of the principal amount of the Notes.

The net proceeds from the Offering is estimated to be approximately U.S.\$396,000,000 after deducting underwriting fees and expenses. The net proceeds will be on-lent to the Company and/or its subsidiaries for refinancing of the 2013 Notes and general corporate purposes.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the paragraph headed “The Subscription Agreement” below for further information. As the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.

Joint Bookrunners and Joint Lead Managers



BNP PARIBAS



The Board is pleased to announce that the Company and the Issuer have, on 6 September 2017, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes. Subject to completion of the Subscription Agreement on the Closing Date and satisfactory delivery of conditions precedent, the Issuer will issue and the Company will guarantee the Notes in the aggregate principal amount of U.S.\$400,000,000. The Notes will be denominated in U.S. dollars, will have a maturity of five years due in 2022 and will bear a fixed interest rate of 4.60% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 100% of the principal amount of the Notes. The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer in respect of the Notes.

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) only, and such permission is expected to become effective on or about 14 September 2017.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Joint Lead Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Notes in an aggregate principal amount of U.S.\$400,000,000.

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Conditions to completion of the Subscription Agreement

The obligations of the Joint Lead Managers to subscribe and pay for the Notes (or to procure subscribers to subscribe and pay for the Notes) are conditional upon, among other things:

- (a) the Company and the Issuer procuring certain legal opinions, auditors' comfort letters and other relevant documents to be delivered to the Joint Lead Managers;
- (b) the execution and delivery (on or before the Closing Date) of the Issue Documents by the respective parties; and
- (c) the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Notes.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive satisfaction of any of the conditions precedent as stated in the Subscription Agreement.

Termination of the Subscription Agreement

The Joint Lead Managers may, by notice to the Issuer and the Company given at any time prior to payment of the net proceeds of the issue of the Notes to the Issuer, terminate the Subscription Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) any of the representations and warranties by the Issuer or the Company contained in the Subscription Agreement is breached or rendered untrue or incorrect in any respect;

- (b) the Issuer or the Company fails to perform any of their respective obligations in the Subscription Agreement;
- (c) any of the conditions precedent contained in the Subscription Agreement is not satisfied or waived by the Joint Lead Managers on the Closing Date; or
- (d) the occurrence of any event or series of events (including, but not limited to, the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) which would, in the view of the Joint Lead Managers, be likely to prejudice materially the success of the Offering or distribution of the Notes as described in the Offering Circular.

The Subscription Agreement may also be terminated if any of the Joint Lead Managers fails to subscribe and make payment for any of the Notes agreed to be subscribed and paid for by such Joint Lead Manager (the “**Default Notes**”), and if the other Joint Lead Managers do not subscribe and pay for all of the Default Notes. The other Joint Lead Managers are not bound to subscribe for the Default Notes if the Default Notes exceed 10% of the aggregate principal amount of the Notes.

Use of proceeds

The net proceeds from the Offering is estimated to be approximately U.S.\$396,000,000 after deducting underwriting fees and expenses. The net proceeds will be on-lent to the Company and/or its subsidiaries for the refinancing of the 2013 Notes and general corporate purposes.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings unless the context requires otherwise:

“2013 Notes”	the US\$350,000,000 5.70% guaranteed notes due 2018 issued by Lai Sun International Finance (2012) Limited and guaranteed by the Company, issued on 18 January 2013
“Board”	the board of directors of the Company
“Closing Date”	13 September 2017, or such later date, not being later than 27 September 2017, as the Issuer and the Joint Lead Managers may agree on which the Notes will be issued
“Company”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488)

“Deed of Covenant”	the deed of covenant given by the Issuer in favour of the holders of the Notes
“Deed of Guarantee”	the deed of guarantee given by the Company in favour of the holders of the Notes
“Fiscal Agency Agreement”	the fiscal agency agreement to be entered into by the Issuer, the Company, and The Hongkong and Shanghai Banking Corporation Limited (as the registrar, fiscal agent, transfer agent and paying agent)
“Guarantee”	The unconditional and irrevocable guarantee given by the Company in respect of the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Documents”	the Fiscal Agency Agreement, the Deed of Guarantee and the Deed of Covenant
“Issuer”	LSD Bonds (2017) Limited, a company incorporated in the British Virgin Islands with limited liability, wholly-owned by the Company and established for the purpose of issuing the Notes
“Joint Lead Managers”	BNP Paribas, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank
“Notes”	the 4.60% guaranteed notes due 2022 in the principal amount of U.S.\$400,000,000 to be issued by the Issuer
“Offering”	the offering of the Notes
“Offering Circular”	the offering circular dated 6 September 2017 issued by the Issuer and the Company in connection with the Offering
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 6 September 2017 entered into among the Issuer, the Company and the Joint Lead Managers in relation to the subscription for the Notes and the Offering
“United States” or “U.S.”	United States of America
“U.S.\$”	United States dollars, the lawful currency of the United States

“%”

per cent. or percentage

By order of the Board
Lai Sun Development Company Limited
Chew Fook Aun
Deputy Chairman and Executive Director

Hong Kong, 6 September 2017

As at the date of this announcement, the Board comprises the following members:

*Executive Directors: Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman),
Lau Shu Yan, Julius (Chief Executive Officer) and Lam Hau Yin, Lester;*

Non-Executive Directors: Dr. Lam Kin Ming and Madam U Po Chu; and

Independent Non-Executive Directors: Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.